

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 2, 1996

SUBJECT: **SB 2827 - HB 3124**

This bill, if enacted, will progressively increase the personal exemption for the Hall income tax over a period of ten years. The tax will be abolished as of December 31, 2006. Current law allows a personal exemption of \$1,250 per individual or \$2,500 if filing jointly.

The fiscal impact from enactment of this bill is estimated to be a recurring decrease in first year state revenues of \$19,825,000 and in local government revenues of \$10,675,000. Second year (FY1997-98) collections will decrease by an additional \$13,130,000 in state revenues and \$7,070,000 in local government revenues for a total revenue loss in the second year of implementation of \$32,955,000 to state revenues and \$17,745,000 to local government revenues. In the final year in which the Hall income tax would have been collected in the absence of this bill, FY2006-07, the estimated state revenue decrease will be \$96,590,000, with a corresponding decrease to local government revenues of \$52,010,000.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive, flowing style.

James A. Davenport, Executive Director